

**Meeting with the County Executive and leaders of the Agricultural Community
December 2, 2010**

Subject: To discuss a plan from the agricultural community to help the County Government with the Budget Savings for Fiscal Year 2012 Operating Budget

The DED is required to reduce the General Funds allocated by 15 %

The Agricultural Services Division is currently allocated \$ 632,000 in General funds

A 15 % reduction equates to \$95,000 in General Funds allocated to Ag Services Division

A plan has been proposed by the leadership of agricultural agencies to spread the fiscal impact between the three agricultural agencies Ag Services, University of Maryland Extension, and Montgomery Soil Conservation District-MSCD

Here is how the plan will work in terms of recommended reductions for each agricultural agency:

Ag Services General Fund reduction will total	\$33,000
UME General Fund reduction will total	\$42,000
MSCD General Fund reduction will total	<u>\$20,000</u>
Total General Fund reduction for the Ag Services Division	\$95,000

Ag Services: Reduce GF by \$33,000 and applied equally \$16,500 between two part-time PAA positions Mary Nichols and Melissa Steed. Back fill the \$33,000 with investment income from the Ag Easements CIP. This will involve a new charge to the CIP

UME: Reduce GF by \$42,000 for one PAA position currently vacant. Back fill the \$42,000 with \$21,000 investment income savings from the other half .5 workyear of Kristin Fisher's position plus \$21,000 in private funding from the Montgomery County Farm Bureau. This private funding will be used to fill the vacant PAA position and help the County to comply with the agreement between the University of Maryland and the County Government

MSCD: Reduce GF by \$20,000 and applied equally \$10,000 between David Plummer's and Eddie Franceschi's positions. Backfill the \$20,000 with private funding that MSCD has on hand.

Administrative Process The DED will execute a memorandum of understanding between the Office of Management and Budget and the agricultural agencies (MC Farm Bureau-UME and MCSD Board of Supervisors) on an annual basis that specifically identifies the intended use of the private funds and requires all parties to revisit the plan prior to the next fiscal year. This will ensure that all parties are still on track with Back filling the reductions in General Funds with private funds. The MOU will also contain a statement which obligates the County to reinstate the General Funds once the economy improves. The MOU will help to address the number of requests the County will naturally receive to reinstate General funds for various programs and agencies. The MOU will be used to ensure the agricultural agencies are at the front of the line for reinstating General funds.